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ABSTRACT

A summary is presented of a 1982 limited distribution report, published by the Communication Network of the State Higher Education Executive Officers and the National Center for Education Statistics, which presents findings of a survey conducted by the Washington Council for Postsecondary Education. The survey focused on the fiscal situation in the states and the impact on public higher education at the end of fiscal year 1981-1982. Information is presented on the varied conditions among 43 states, the response of postsecondary education to these conditions, and the states' emergency revisions to postsecondary education appropriations and budgets. Information was not obtained from Arkansas, Indiana, Michigan, New Hampshire, Ohio, Utah, and Wyoming. Information is also presented on whether or not taxes were being increased by the state to cover existing or potential revenue shortfalls. The actions being taken are divided into income generating initiatives and expenditure reduction measures. The latter are further described as actions taken to reduce spending for institutional operations and actions affecting the acquisition of physical assets, personnel, and programs. (SW)

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In This Issue: This issue contains a summary of the report, *The Effect on Higher Education of State Actions In Response to Unanticipated Revenue Shortfalls*, published in late spring of 1982 by the SHEEO/NCES Communication Network. Further information on the report and survey may be obtained from the Network. P.O. Drawer P, Boulder, Colorado 80302.

REVENUE SHORTFALLS, STATE ACTIONS AND THE EFFECT ON POSTSECONDARY EDUCATION

In April 1982, the SHEEO/NCES Communication Network* published the results of a survey on the impact of unanticipated state revenue shortfalls on postsecondary education. The report received a distribution of less than 300 copies. The survey, prepared by the Washington Council for Postsecondary Education, focussed on the fiscal situation in the 50 states and the impact on public higher education 7 and 8 months into fiscal year 1981-82. For two reasons, in late 1982, the Education Commission of the States decided to publish a summary of the survey report in cooperation with the Network. One reason was the many requests for copies received by the Network that it was unable to honor. Another is that the fiscal situations in many states are still critical and the impacts on postsecondary education as reported in this survey are still relevant and timely.

ECS hopes that the responses from the various states as to how state agencies and institutions sought to solve actual and possible deficits in 1982 will assist governors, legislators and state education policy and decision makers as they struggle with serious fiscal problems facing them in the 1983 legislative sessions. With perhaps the worst fiscal conditions in forty years surfacing during 1982, putting together a state budget

*A project of the State Higher Education Executive Officers sponsored by the National Center for Education Statistics.

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was not a pleasant task last year, and every sign points to an even more unpleasant task in 1983.

A survey conducted in the summer of 1982 by the National Conference of State Legislatures and The Urban Institute found that, although all states except Vermont constitutionally or statutorily require a balanced budget to be maintained or adapted, six states ended their fiscal year with a deficit (46 states end their fiscal years on June 30). At least 17 states ended the 1982 fiscal year with a fund balance equal to 1% or less of their annual spending. Another 14 states had a balance of 3% or less of annual appropriations, with only 12 states reporting balances of more than 5%. Most states dealt with their problems by budget recissions, spending restraints, tax increases or combinations of these.

Revenue shortfalls were in fiscal 1982, and still are in 1982-83, the major problem caused by the recession. Michigan, Ohio, Oregon and Washington are among the states hardest hit. Even the oil-rich states are beginning to suffer as a result of the decreases in oil prices, although as their surpluses were larger to begin with, their fiscal conditions are still better than other states.

By the end of October 1982, four months into the 1982-83 fiscal year, 21 states had already been forced to cut their current budgets and an additional 5 states were expected to follow. By January, projected deficits for the current fiscal year had been increased in at least 25 states. All 16 newly elected governors who took office in January 1983 faced the prospect of recommending reduction of services or tax increases. In a survey conducted by the National Governors' Association in late 1982, 41 states projected fiscal 1983 budget deficits totaling nearly $2 billion, with nearly a $8 billion shortfall in revenue.

State appropriations provide 30 cents for every dollar spent on higher education in the U.S. In 1982-83, higher education received from state legislatures the smallest appropriation increase in over 20 years. In some states, public institutions have already been or will be, directed to give back a portion of their appropriations because of revenue shortfalls. Budget cuts of 2% in California and 3% in New Jersey have already been ordered by the governors. In Michigan, the new governor is withholding $135 million in payments to the state's colleges and universities. California's community college students will pay mandatory fees for the first time next fall if the new governor's proposal is approved.

Clearly, solving the current year's revenue and budget problems and facing even more restricted funds next year will be the major focus of the state legislatures, and postsecondary education faces a still bleaker situation. The areas facing the

most severe impact will probably include faculty and personnel layoffs, reduced student aid, increased tuition and fees, programs reduced or eliminated, reduction of services such as libraries and laboratories and postponement or cancellation of facilities construction and renovation.

-- Nancy M. Berve

The Effect on Higher Education of State Actions in Response to Unanticipated Revenue Shortfalls

SUMMARY OF REPORT

Martha L. Kaufman
and Nancy M. Berve,
Editors

I. Background

Anticipated and unanticipated revenue shortfalls in many states are necessitating reductions in state support for public, and in some instances independent, postsecondary institutions. Because the states provide by far the majority of the funding for American postsecondary education, a survey was initiated in 1982 by the state of Washington Council for Postsecondary Education to determine individual state responses to shortfalls. The survey was responded to by the State Higher Education Executive Officers (SHEEO) and the findings presented in The Effect on Higher Education of State Actions in Response to Unanticipated Revenue Shortfalls.*

The report describes and summarizes some of the actions that were being taken in the last several months of fiscal year 1981-82 by the various states in response to emergency revisions to postsecondary education appropriations and budgets. This summary of the report presents the findings resulting from the survey. Included are data on varied conditions among the states, the response of postsecondary education to these conditions and summaries of the states' emergency revisions.

The survey, which was sent to the SHEEO officers of the 50 states and the District of Columbia, was designed to obtain information regarding: (1) the states that experienced unanticipated revenue shortfalls resulting in executive or legislative actions to modify postsecondary education

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*Prepared and edited by John R. Wittstruck, Director of the SHEEO/NCES Communication Network. The report, published by the Network Office, received a very limited distribution.

appropriations and/or budgets in 1981-82 and 1982-83; and (2) the actions taken in the postsecondary education community in response to modifications in appropriations and budgets. Forty-three states responded to the survey for a response rate of 84 percent. The eight states that did not respond were Arkansas, Indiana, Michigan, New Hampshire, Ohio, Utah and Wyoming.

The report gives several limitations to the study. One is the very fluid situation in the various states, so that the conditions in any given state may have changed following release of the study, and, indeed, as noted in the introduction, have changed in a number of states. Second, some states had difficulty describing the impact on 1982-83 budgets and appropriations as they have annual or biennial budgeting sequences and legislatures were still in session at the time of the survey. Finally, some states received midyear cuts in current appropriations but the appropriations for the following year may be more than the original appropriation that was cut. Given the variety of combinations and permutations of conditions reported, the summary figures and tables should be correlated with the state summary for a more complete account of a state's actual status and responses.

This summary contains all of the survey findings and summaries of the state responses contained in the full report. One section, which is a synopsis of various reports on postsecondary education responses to fiscal reductions, is not included. Neither are the citations for these background studies and other references. The other deletion is the correspondence relating to the survey and the survey forms that were used.

II. Findings

A. State Conditions

Of the 43 states that responded to this survey, 20 states (46%) reported that the state had experienced a revenue shortfall; 3 states (7%) were anticipating a revenue shortfall; 5 states (12%) were curtailing expenditures and the remaining 15 states (35%), reported that no revenue shortfalls were experienced or anticipated by the state. The following table lists the states according to the four categories.

Table 1

CLASSIFICATION OF RESPONDING STATES INTO FOUR CATEGORIES OF STATE REVENUE SHORTFALLS

Revenue Shortfall Experienced		Revenue Shortfall Anticipated	Curtailing Expenditures	No Shortfall Experienced or Anticipated
California	Oregon	Alaska	Arizona	Alabama
Colorado	Pennsylvania	Florida	Idaho	Delaware
Connecticut	Rhode Island	South Dakota	Iowa	District of Columbia
Georgia	South Carolina		North Carolina	Hawaii
Kentucky	Tennessee		North Dakota	Illinois
Massachusetts	Vermont			Kansas
Minnesota	Virginia*			Louisiana
Mississippi	Washington			Maine
Missouri	West Virginia			Maryland
Nebraska	Wisconsin			Montana
				New Jersey
				New Mexico
				New York**
				Oklahoma
				Texas

*The revenue shortfall in Virginia was very slight (see state summary section).
**New York did not report either a shortfall or a surplus.

Of the 28 states experiencing or anticipating revenue problems, 16 states (57%) responded on the extent to which the reductions or cutbacks required of postsecondary education were the same as, greater than or less than those required of other state agencies. Table 2 shows that of the states reporting shortfalls, 7 received reductions for postsecondary education

that were the same as other state agencies, 3 states reported reductions or impoundments of postsecondary education funds that were greater than those required of other state agencies, and 3 experienced reductions that were less for postsecondary education than other state services. Florida, in anticipation of a revenue shortfall, and Iowa and North Dakota, curtailing expenditures generally, reported they were reducing postsecondary education expenditures at the same rate as other state agencies.

Table 2

COMPARISON OF STATE REDUCTIONS FOR POSTSECONDARY EDUCATION AND REDUCTIONS FOR OTHER STATE SERVICES

Revenue Shortfall Experienced			Revenue Shortfall Anticipated	Curtailing Expenditures
Reduction for Postsecondary Education				
Same	Greater	Less		
California Colorado Connecticut Mississippi Missouri Nebraska West Virginia	Kentucky Tennessee Washington	Minnesota Oregon South Carolina	Florida (reduction same as other state services)	Iowa North Dakota (same as for other state services)

The states were asked also to indicate whether or not taxes were being increased by the state to cover existing or potential revenue shortfalls. Twelve of the 20 states reporting revenue shortfalls responded. Five of the 12 (42%) reported that tax increases and other revenue generating methods were being employed by the state to cover the shortfall. The remaining 7 states (58%) indicated that no tax increases or revenue enhancements were being considered.

Table 3 lists those states experiencing revenue shortfalls that are increasing taxes and/or developing other means to generate more revenue and that are not considering such actions. Some of the actions by the states to increase revenue through taxes include increasing state taxes on cigarettes, liquor and candy; increased property taxes; and surcharges on income taxes (Minnesota). Sales taxes are being increased in Vermont and Washington along with other revenue generating measures being considered or employed. California, Minnesota and Oregon reported that income tax withholding and sales tax payments from businesses are being collected more rapidly as another means for enhancing revenue income for the state. Income taxes were increased in Oregon, for one year only. Vermont is considering maintaining its current income tax rate, relative to the federal income tax liability. A reduction in federal income taxes would have the net effect of increasing the state income tax rate by 2%.

Table 3

STATES THAT ARE INCREASING TAXES AND THOSE
NOT INCREASING TAXES TO COVER REVENUE SHORTFALL

States Increasing Taxes or Developing Other Methods To Generate Additional Revenue	States NOT Increasing Taxes or Developing Other Methods To Generate Additional Revenue
California*	Colorado
Minnesota	Kentucky
Oregon	Mississippi
Vermont	Missouri
Washington	Nebraska
	Pennsylvania
	South Carolina

*Taxes have not been increased in California, but other revenue generating methods have been employed.

The respondents were asked also to report whether the actions taken to generate revenue were directed by either the executive or legislative branches of state government, or by the governing boards of the institutions. Except for Connecticut, where vacant positions were eliminated throughout higher education in fiscal year 1981-82 by the legislature, most states that responded to this inquiry reported that the actions were being taken by the institutional governing boards.

B. Postsecondary Education Responses

The state postsecondary education agencies reported that a variety of actions are being employed in response to reductions in state budgets and appropriations for postsecondary education. For the purpose of this report, the actions being taken are divided into income generating initiatives and expenditure reduction measures. The latter are further described as actions taken to reduce spending for institutional operations, the acquisition of physical assets, personnel and programs.

1. Income Generating Initiatives. Three initiatives for generating additional revenue for postsecondary education were mentioned by the state respondents. Seventeen states indicated that student tuition and fees and student charges generally were being increased. Three states (New York, South Dakota and Washington) indicated that tuition and fee waiver policies and other policies related to tuition and fees were being modified and one state, California, was increasing federal overhead charges.

Since tuition and fees and other student charges continue to receive much attention, the following is a brief summary of the actions being taken in the 17 states increasing student charges. Beyond general tuition and fee increases, two states, Oregon and Wisconsin, have employed surcharges on student enrollments. One state, South Dakota, is applying a specific $8.50 per credit hour tuition increase to engineering students; a proposal under consideration in Washington would establish a minimum fee of two credit hours.

California: In 1981-82 resident fees at the University of California were increased $175 and another $100 increase was proposed by the governor for 1982-83. Fees at the California State University institutions were increased $60 in 1981-82 and an additional increase of $41 was proposed by the governor for 1982-83. Fees were not increased for community colleges in 1981-82 nor were increases being proposed by the governor in 1982-83.

Connecticut: Unanticipated tuition increases for resident and nonresident undergraduate and resident graduate students

at all public institutions, excluding the University of Connecticut, ranged from 31% to 25% (1981-82).

Georgia: Student fee rates will increase by 15% to partially defray other expenses (fiscal year 1983).

Idaho: The State Board of Education and Board of Regents of the University of Idaho approved fee and tuition increases of $100 per semester for full-time students, with comparable increases for part-time students (fiscal year 1982).

Iowa: In fiscal year 1982, undergraduate resident tuition was increased 15%, nonresident tuition increased 25% and, depending on the particular professional school, tuition at the professional schools increased 50% to 80%. For fiscal year 1983, undergraduate tuition increases will range from 10% to 20% and professional school tuition increases will range between 20% and 33% (the highest tuition increases are at the medical schools).

Massachusetts: In fiscal year 1983, tuition probably will be increased 10%.

Minnesota: Undergraduate and graduate resident and nonresident tuition and fees have been increased beyond anticipated levels (fiscal biennium 1981-83).

Mississippi: Tuition for fiscal year 1982 increased by an average of 11% for both resident and nonresident students.

Missouri: Unanticipated resident and nonresident tuition and fee increases are planned by the governing boards for 1982-83 for both undergraduates and graduates.

Oregon: Tuition increases for 1981-82 and 1982-83 were revised for the three universities and health science university. A $49 per term surcharge was applied to all resident tuitions for winter and spring terms in 1981-82 and all three terms in 1982-83 ($147 annually). These surcharges will increase the tuition by the following percentages over the original charges for 1981-82 and 1982-83: resident undergraduates, 11.9% and 15.1%; resident graduates, 7.1% and 9.0%; medical students, 3.2% and 3.8%; dental students, 4.3% and 5.2%; veterinary medicine, 4% and 4.8%.

South Carolina: Resident and nonresident, graduate and undergraduate tuition rates were increased by a statewide average of 12.4% in 1981-82.

South Dakota: For fiscal year 1983, tuition was increased 9%, the medical tuition waiver program modified; and an $8.50 per credit hour tuition increase for engineering students was required.

Tennessee: Tuition increased 15% across the board in 1981-82 and an additional 10-15% increase is recommended for 1982-83.

Vermont: Tuition increases are expected to range from 10% to 14% (fiscal year 1983).

Virginia: Significant tuition and fee increases have been incorporated for all sectors in the biennium 1982-84.

Washington: For higher education, actions include graduate and professional tuition and fee increases, in addition to those previously scheduled. These establish a minimum fee equal to two credits, redefine student residency, tighten policies regarding tuition and fee waivers, and transfer the 1981-82 long-term student loan funds (not used because of available private loan capital) to the institutions local funds (1981-83 biennium).

Wisconsin: Resident and nonresident tuition surcharges for both undergraduate and graduate students for 1981-82 are being employed but no additional action along this line is proposed at this time for 1982-83.

2. Expenditure Reduction Measures. The following tables summarize and organize the types of expenditure reduction measures being applied in the various states in response to modifications of postsecondary education budgets and/or appropriations, or to effect reduced spending generally. While useful in this regard, the tables should be used primarily as a guide to the respective state summaries where more complete descriptions of the responses being employed are available.

Some liberty was taken in listing states under different categories of the expenditure reduction measures. For example, it can be assumed that more states than those listed on table 4 are reducing expenditures for institutional operations. Some states such as Vermont and Wisconsin reported rescissions and reductions in appropriations but did not indicate particular actions that were being taken. Thus, neither of these two states are listed on any of the following tables. Although other states reported that the governing boards had freedom in choosing where spending cuts would occur, they did not specify institutional operations as an area to be cut and were not, therefore, included in table 4. In other instances, some states reported reducing positions and personnel, reducing or curtailing enrollment or terminating programs. These are not listed as reducing spending for institutional operations. It might be assumed that these states have already exhausted this expenditure reduction measure and have had to employ more extreme costcutting measures.

Care must be taken also in reviewing the states listed under table 5 (actions taken affecting the acquisition of physical assets), as the states differ in the particular actions taken to either postpone or defer capital construction projects. Minnesota halted all capital construction authorized for fiscal biennium 1981-83 because of the difficult bond market. New York authorized capital projects but will bond them at a later date. Virginia instituted a temporary freeze on all capital construction projects not under contract but either released them from the freeze or reappropriated the construction funds for the 1982-84 biennium. While the circumstances and actions differ, each state is listed as a state that has deferred or postponed capital projects.

Similar care is required when reviewing table 6 (actions taken affecting personnel). In some instances, faculty positions were eliminated while no faculty were dismissed (Washington). In other instances some faculty were released (Oregon). The state summaries need to be reviewed as either of these situations resulted in the state being listed under the category "position and employee reductions."

Care must be taken also when reviewing the category "reductions in or other adjustments to salaries and wages" (table 6). While no states reported that faculty and staff took cuts in pay, some states reported that portions of salary increases were rescinded, and other states reported that the salary increases were deferred to an effective date other than the date in which the salary increases normally go into effect. The respective state summary needs to be reviewed to determine the particular actions that were employed.

Table 7 lists those states that are taking actions affecting programs in terms of either reducing enrollments, curtailing enrollment growth or terminating programs. The respective state summaries need to be reviewed to determine the particular actions being applied. For example, some states moved to actually reduce enrollments (e.g., California). Mississippi, while not reducing enrollments, did experience an enrollment decline at the degree- granting off-campus centers when the required class size needed to offer such courses was increased, thus causing an enrollment reduction at the centers.

The states listed as terminating programs (table 7) differ as well in the actions taken affecting the instructional programs. In some instances the state reported that programs were being terminated (e.g., Kentucky). In others (e.g., Missouri and Rhode Island), the states reported that program reviews were being initiated with the objective of curtailing or terminating some existing programs.

Given these differing actions by the states, the following tables are best used as guides to the respective state summaries more fully describe the particular circumstances that led to listing a state under one of the categories presented as an expenditure reduction measure.

Table 4

ACTIONS TAKEN AFFECTING INSTITUTIONAL OPERATIONS

Reduce or Curtail General Operating Expenses (Supplies, Travel, Etc.)	Reduce or Curtail Expenditure for Maintenance
Georgia	Iowa
Mississippi	Pennsylvania
North Carolina	West Virginia
Rhode Island	
South Dakota	
Tennessee	

Table 5

ACTIONS TAKEN AFFECTING THE ACQUISITION OF PHYSICAL ASSETS

Defer or Postpone:

Capital Construction	Library Acquisitions	Equipment Purchases
California	Connecticut	Arizona
Colorado	Pennsylvania	Connecticut
Florida	West Virginia	Iowa
Kentucky		Mississippi
Minnesota		Pennsylvania
Mississippi		Tennessee
New York		West Virginia
North Dakota		
Pennsylvania		
Rhode Island		
South Carolina		
Tennessee		
Virginia		

Table 6

ACTIONS TAKEN AFFECTING PERSONNEL

Position and Employee Reductions			Other Personnel-Related Actions		
Tenured Faculty	Non Tenured Faculty	Other Personnel	Eliminate or Leave Open Vacant Positions	Hiring Freezes	Reductions in, or Other Adjustments to Salaries and Wages
Oregon	Kentucky	Idaho	Arizona	Colorado	Florida
South Carolina	Massachusetts	Kentucky	California	Virginia	Georgia
Washington*	Minnesota	Massachusetts	Connecticut		Minnesota
	Oregon	Missouri	Iowa		Missouri
	South Carolina	New York	Mississippi		North Carolina
	Washington	Oregon	New York		South Carolina
		South Carolina	North Carolina		Washington
		Washington			West Virginia
		West Virginia			

*Tenured faculty positions were cut but no tenured faculty were let go.

Table 7

ACTIONS TAKEN AFFECTING PROGRAMS

Reduce Enrollments and/or Curtailing Enrollment Growth	Terminating Programs
California	Kentucky
Kentucky	Minnesota
Massachusetts	Missouri*
Mississippi	New York
Oregon	Oregon
South Carolina	Rhode Island*
Tennessee	South Carolina
Washington	Tennessee
	Washington
	West Virginia

*States initiating program reviews with the objective of terminating some existing programs.

The foregoing has been an attempt to provide some organization to types of actions being taken by postsecondary education in the various states experiencing revenue shortfalls resulting in revisions to budgets and appropriations for postsecondary education. The following section provides a more explicit statement as to the condition of the individual states and the actions being employed by states in response to those conditions as of January and February 1982.

III. Summaries of the States' Responses

Alabama. Higher education appropriations for fiscal year 1982 were approximately 6.5% below fiscal year 1981 appropriations and about about 3% below the level of state funding actually received in fiscal year 1981 (NOTE: The entire education budget in fiscal year 1981 was prorated 3.5%). The state does not anticipate a revenue shortfall for fiscal year 1982 at this point (after two quarters of the year) but it should be noted that budget proposals for fiscal year 1983 currently being considered by the legislature would provide only a 4% increase over fiscal year 1981.

Alaska. The state anticipates a revenue shortfall because of decreased oil revenues. Therefore, the legislature is attempting to hold the state operating budget for the next fiscal year to the level of the current fiscal year ($1.6 billion). If this occurs, higher education will not fare as well as it did for the current year.

American Samoa. No response.

Arizona. Higher education is reducing spending by 5%. The reduction will come primarily from personal services, careful examination of vacant positions and the deferral of equipment purchases.

Arkansas. No response.

California. The state is experiencing a revenue shortfall and appropriations for four-year public institutions were reduced by 2% in 1981-82, the same reduction required of other state agencies. It has yet to be determined the level of reductions required for 1982-83. Taxes have not been increased to cover the shortfall. However, the state has begun to collect more quickly income tax withholding and sales tax payments from businesses to allow the state to invest and earn interest on such funds.

Some actions taken by the higher education community as a result of the appropriation reduction in 1981-82 include increasing resident fees by $175 at the University of California System and $60 at the California State University System. In addition the

governor's budget for 1982-83 proposes a fee increase at the University of California of $100 and at the California State University of $41 per headcount student. The state did not increase fees at the community colleges in 1981-82 nor does the governor's budget for 1982-83 propose any fee increase at the two-year public institutions.

The institutions also are holding vacant positions open, going to self insurance to reduce insurance premiums, increasing federal overhead charges and reducing or curtailing enrollments to full-time-equivalent enrollment levels provided for in the appropriations. In addition, capital construction projects are being delayed.

Colorado. The unanticipated revenue shortfall translated into a 1.3% reduction in appropriations in 1981-82 for Colorado higher education. This reduction was about the same as experienced by other state agencies. Taxes have not been increased to help offset the revenue shortfall. The cuts were applied across the board and each governing board was free to determine the items to be cut. A variety of responses have occurred, including hiring freezes and delaying capital construction projects.

Connecticut. A 3% reduction in appropriations for 1981-82 was required as the state did experience an unanticipated revenue shortfall of approximately $66 million. This was a comparable reduction to that required of other state services. In higher eduction the 3% rescission primarily affected nonsalary components such as educational equipment and library acquisitions. The legislature eliminated 101 authorized vacant positions throughout the higher education system in fiscal year 1981-82 (no employee layoffs occurred). Cancellations of vacant positions primarily affected nonfaculty, classified positions and part-time faculty positions. Unanticipated tuition increases for resident and nonresident undergraduates and resident graduate students at all public institutions, excluding the University of Connecticut, ranged from 13% to 25%. Although the governing boards approved these increases in response to possible budget shortfalls, they did so at the urging of the legislature. The increases were set into statute through legislation passed during the 1981 regular session.

The state is considering (1) a proposal to index tuition rates and support to student financial aid programs to the Higher Education Price Index, effective fiscal year 1982-83; (2) proposals to increase fiscal flexibility at institutions in the area of equipment purchases (carrying forward unspent but obligated equipment funds); and (3) recommendations of the governor's Blue Ribbon Commission on Higher Education and the Economy to reform the budgeting and financing process in higher education, to alter the method of budget allocation and to increase institutional flexibility through reduced reliance on pre-audit controls.

Delaware. The state has not had a revenue shortfall and higher education appropriations were increased 16% for 1981-82. Projections for 1982-83 state revenue growth are lower than those of the previous years but appropriation increases in the 5% range are expected.

District of Columbia. No unanticipated revenue shortfall has been experienced.

Florida. In December 1981 the State Administration Commission adopted a plan for mandatory reserves to offset an anticipated revenue shortfall for fiscal year 1981-82. Each of the 28 community college boards of trustees will determine how to handle the reduction at the local level. The Board of Regents for the State University System will attempt to absorb the cuts through reducing rather than terminating programs and services. The State University System is, however, reducing expenditures for salaries and operating capital outlays. The shortfall for 1982-83 is expected to translate into a 1.28% reduction in appropriations for this fiscal year, which will be about the same reduction required of other state agencies.

Georgia. A reduction in projected revenues for fiscal year 1983 has forced the legislature and governor to remove $8.8 million from the higher education budget. Inflationary increases have been reduced where operating expenses and utility increases were cut in half to 2.5% and 3.75% respectively. The salary increase percentage was reduced from 6.5% to 4.75%. Student fee rates will increase by 15% to partially defray other increases. Appropriation levels for fiscal year 1982 have not been changed.

Hawaii. No budget problems are being faced and none are expected through the end of the current biennium ending June 30, 1983. The state is, however, grappling with a constitutionally mandated expenditure limitation where state expenditures could increase only as certain economic indicators increase. The state may have some difficult decisions to make in the future as the projected growth in expenditures exceeds that of the economic indicators.

Idaho. The 1981 legislature appropriated $67 million from the state's general account for fiscal year 1982 general education operations of the four higher education institutions. One month later, the State Board of Education and Board of Regents of the University of Idaho approved fee and tuition increases of $100 per semester for full-time students, with comparable increases for part-time students, estimated to generate $4,725,400 during fiscal year 1982. However, following a public hearing the board determined that resources available for fiscal year 1982 were still below the level "necessary to maintain the quality of educational programs" at the higher education institutions, and as a result declared a "state of financial exigency" for the

four institutions. Institutions were ordered to submit reduction plans and two institutions laid off employees.

Illinois. No shortfall was experienced for 1981-82 and the governor's budget will not be announced until March 1. General assembly action on appropriations for fiscal year 1983 is not anticipated until June 30. However, the Board of Higher Education budget recommendations were adopted in January.

Indiana. No response.

Iowa. During fiscal year 1981, all state agencies and public institutions in Iowa received a 4.6% cutback in appropriations. For the Iowa Board of Regents' institutions, this amounted to a cutback of $12 million. This cutback was continued in the agency and institutional base budgets during fiscal year 1982, but is being 100% restored in fiscal year 1983. For these years the state did provide for an 8% salary increase, but did not provide for inflationary increases in operating expenses, except for increases in the cost of energy.

The agencies and institutions have been able to determine where the cuts in spending would occur. Although personnel layoffs have not been necessitated, many vacant positions have not been filled. In addition, building repairs have been cut back as has the purchase of equipment.

Additional revenue has been generated through tuition increases. In fiscal year 1982, undergraduate resident tuition was increased 15%, nonresident tuition increased 25% and, depending on the particular professional school, tuition at the professional schools increased by 50% to 80%. For fiscal year 1983, undergraduate tuition increases will range from 10% to 20% and professional school tuition increases will range between 20% and 33% (the highest tuition increases are at the medical school). The state is keeping a close watch on actual income compared to revenue projections and some revenue enhancements for fiscal 1982-83 are being considered.

Kansas. Revenue receipts to the state general fund exceed demands by $1.1 million for fiscal year 1983 (1982-83 school year). An ending fiscal year 1982 balance of $140.3 million is currently anticipated. The governor's recommendations for postsecondary education proposes an increase in state funding.

Kentucky. A revenue shortfall was experienced in 1981-82 that caused an 11.3% reduction in appropriations, a reduction for higher education that was greater than required by other state services. Taxes have not been increased to cover the shortfall. As a result, the governing boards have made personnel reductions in nontenured faculty and other personnel, reduced enrollments and terminated programs. Also, capital construction has been delayed.

Louisiana. The extensive oil and gas production has provided large surpluses in the state general fund. The surplus anticipated for fiscal year 1982-83 is expected to be smaller than in the past. With fewer available dollars, it is expected that higher education will receive less of an increase in funding than in prior years. The 1982-83 budget for higher education is estimated to be funded at 8% above the current year's funding level, not including any across-the-board pay increases that might be enacted by the legislature.

Maine. No revenue shortfall has been experienced by the state.

Maryland. No unanticipated revenue shortfalls have been experienced that would have resulted in a modification in the originally approved higher education budget.

Massachusetts. To overcome an unanticipated revenue shortfall, the state passed a $7 million deficiency budget. While no reduction in appropriations was required, reductions in nontenured faculty and other personnel, as well as enrollments for 1981-82, were actions taken by the governing board.

For fiscal year 1983, the governor recommended an increase of 12.9% for higher education. Tuition probably will be increased 10% and each dollar of tuition increase will bring $4 back to the campuses in increased appropriations.

Michigan. No response.

Minnesota. The unanticipated revenue shortfall in 1981-82 and 1982-83 has necessitated a 4% ($41.3 million) reduction in higher education appropriations for the biennium, which was generally less than that required of other state services. The state has increased taxes on cigarettes, liquor and candy; increased property taxes; put a surcharge on income tax and shifted payment schedules to cope with the revenue shortfall.

Part of the approved salary increase was reduced and part absorbed in the base budget of each system. The governing boards have made reductions in nontenured faculty and terminated programs. In addition, resident and nonresident undergraduate and graduate tuition and fees have been increased beyond anticipated levels. Because of the difficult bond market, all capital construction authorized for 1981-83 has been halted since the state refused to sell bonds in the current bond market. Scholarship and grant funds were reduced by $1.9 million and aid to the independent colleges in Minnesota was reduced by $300,000.

Mississippi. The state reduced by 50% the original increase in state appropriations because of the unanticipated revenue shortfall for 1981-82. The reduction was about the same for

higher education as required of other state services. Taxes have not been increased in order to help offset the revenue shortfall.

Even though the original increase in appropriations was reduced by 50%, an effort was made to retain those salary increases that had already been awarded. To respond to the reduction, however, the following actions were taken. Vacant positions were deleted at the universities and the funds saved were used to cover other cuts in funding. Required class sizes for degree-granting off-campus centers were increased, resulting in a decline in enrollment at these centers. Tuition for fiscal year 1982 was increased by an average of 11% for both resident and nonresident students. While capital construction funds are appropriated to the State Building Commission for further allocation and distribution to state agencies, the state froze all new construction for the year. Other actions taken included the reduction or elimination of expenditures for travel, equipment and commodities to make up the amount of the cut that could not be covered by funds made available through the deletion of vacant positions.

Missouri. Taxes were not increased to accommodate the unanticipated revenue shortfall in 1981-82 that required a 10% reduction in appropriations to higher education. This reduction was about the same as that required of other state services. As a result, the governing boards both reduced and rescinded salary increases and reduced the number of nonfaculty personnel in 1981-82. Unanticipated resident and nonresident tuition and fee increases are planned by the governing boards for 1982-83 for both undergraduates and graduates.

Since the voters approved a tax limitation amendment to the state constitution in 1980, a tax increase to cover revenue shortfalls is opposed by the governor. Alternatives for dealing with these circumstances being explored by the Department of Higher Education include further fee increases and enrollment reductions. Some Missouri institutions are initiating program reviews with the objective of terminating some existing programs.

Montana. No shortfalls have been experienced.

Nebraska. The unanticipated revenue shortfall resulted in a 3% reduction in appropriations in 1981-82 and this was to be considered as "permanent reductions" to the continuation appropriation base for 1982-83. This reduction in appropriations was about the same as required of other state services and all institutions and agencies were allowed to make reductions in any category they chose. As appropriations are being reduced for existing programs and services, the state could face additional unanticipated revenue and appropriations problems. These include funding a state scholarship program

that was recently determined to be constitutional; a need to finance some services formerly financed with federal funds; and legislation being considered that could require the public two-year institutions to provide programs for the handicapped as well as providing additional state funding to the public two-year institutions. To accommodate the reduction in appropriations, various postsecondary education sectors are considering unanticipated tuition increase that should relieve some of the burden created by reduced state support.

Nevada. No response.

New Hampshire. No response.

New Jersey. While no shortfall was reported leading to reduced appropriations in 1981-82, the situation for 1982-83 is unclear. The state has a new governor and the fiscal year 1983 budget may not be made public until mid-March.

New Mexico. No shortfalls or reduced appropriation problems have faced New Mexico as of this time.

New York. The governor's executive budget for 1982-83 recommends total appropriations of state funds for all higher education purposes of approximately $2,092 million, an increase of $116 million or 6% over the funds made available for 1981-82.

As in 1981-82 the continued phasing-in of the state's assumption of the full costs of the City University of New York's (CUNY) senior colleges accounts for the largest single component of the overall increase. Almost two-thirds of the $116 million increase in state funds for higher education, $73 million is for CUNY's senior college costs. Increases of almost $17 million for the Tuition Assistance Program (TAP) and $11.5 million for community colleges represent other major changes. Funds in the executive branch for both the CUNY and the State University of New York (SUNY) state-operated colleges do not include 1982-83 collective bargaining costs since agreements have not been reached.

(a) SUNY state-operated campuses. The gross operating budget of the state university (not including the community colleges) is funded primarily from the remainder of the combined revenue from students (tuition and dormitory charges) and hospitals after capital debt service requirements are met and from state funds. Therefore, although capital debt service costs are not included in the gross operating budget, such costs have the first call on revenue and thus reduce the revenue that would otherwise be available to support operating expenses.

Major cost increases include: $41.3 million for negotiated salary increases and other salary adjustments, $26.5 million for fixed-cost items (primarily caused by inflation) and $21.4

million for program enrichments. Of the total gross increase of $89.2 million the health science and medical centers account for approximately $34 million including, for hospital operations, about 70% of all program enrichment funds. Of the 371 new positions recommended for SUNY, 250 are in the hospital and clinic operations.

Major cost decreases include: $18 million in personal service funds covering most positions vacant on March 31, 1982, that are in excess of the university's assigned personnel ceiling for 1981-82 (an approach being used for all state agencies); $1.5 million for the deletion of 231 faculty and faculty support positions (including 61 at the health science and medical centers); $1.1 million for 74 positions abolished at the campus schools; $1.1 million for 183 other abolished positions including 26 in SUNY central administration; $2.8 million for tuition waivers for nonresident graduate students, foreign students, medical students, dental students, optometry students and graduates of the HEOP/EOP/SEEK programs; $1.1 million for elimination of the State University Supplemental Tuition Assistance Program (SUSTA).

Other items include: Authorization for at least $71 million in capital projects to be bonded at a later date. Of this amount, $54.4 million is for the Buffalo Health Science Center and $10.7 million for the Buffalo/Amherst campus. Also, an increase of $150 in dormitory charges for SUNY will be in effect for the fall of 1982.

(b) CUNY senior colleges. The gross operating budget of the city university senior colleges is funded by student revenue and state and New York City funds. Capital debt service requirements are supported by state and city funds separate from the operating budget.

Major cost increases include: $8.5 million for price increases and salary adjustments; $4.7 million for operating new buildings at Hunter College; $1.3 million for 42 faculty and 11 faculty support positions.

Major cost decreases include: $3 million in personal service reflecting vacant positions that are in excess of authorized ceilings; $.9 million for deletion of 93 faculty and 24 faculty support positions, $.4 million for elimination of the City University Supplemental Tuition (CUSTA) program; $.4 million for elimination of tuition waivers for part-time students at the College of Staten Island and New York City Technical College.

Major revenue increases include: $13.5 million from a proposed tuition increase equal to $150 per full-time-equivalent students (approximately $6 million of the cost to the student of the tuition increase would be covered by TAP).

(c) Community colleges -- SUNY and CUNY. Mainly because of a budgeted enrollment increase at SUNY community colleges, and with a small decline at CUNY colleges, state operating aid will increase by $7.6 million (4%) to a total of $179.8 million. Annualization of the program, new in 1981-82, to pay aid for "contract" courses requires an increase of $.7 million for a total of $2.1 million.

The state share of capital debt service costs increases by $2.2 million to $30.7 million. New capital projects, to be bonded later, totals $31 million with the state sharing the costs with college sponsors.

(d) Aid to independent institutions. A net decrease of $4.6 million is recommended the state program (known as the Bundy program), made up of an increase of $1.4 million for a higher number of degrees awarded and a decrease of $6 million. These reflect a 35 percent reduction in awards for degrees granted to students who were not legal residents of the state when first enrolled.

(e) Medical/dental capitation aid. A net decrease of $.4 million is recommended, including an increase of $.4 million for higher enrollments and a decrease of $.8 million for elimination of the COTRANS/Fifth Pathway bonus. A total of $4.1 million, representing an increase of $1.5 million, is included for the continued phasing in of the college work-study reimbursement program.

(f) Aid to students. Despite a 3% projected decrease in recipients, TAP costs will increase $16.7 million in 1982-83 reflecting the implementation of programmatic changes made in 1981-82 and the increase in CUNY senior college tuition. Other than for the CUNY tuition increase, the major changes will be in the SUNY community colleges (+$3.8 million), CUNY community colleges (-$1.4 million), independent institutions (+$9.2 million).

(g) Programs for the disadvantaged. A total of $46.1 million is recommended, an increase of $1 million. All programs are held at 1981-82 funding levels except for two. An increase of about $1.3 million is recommended for the SUNY educational opportunity centers for mandatory salary and price increases and a reduction of $.4 million for a SUNY program added in 1981-82 for tuition waivers for graduates of EOP/SEEK/HEOP programs.

(h) Science and Technology Foundation. An appropriation of $5 million is recommended for a new program called variously the "technology," "research" and "equipment challenge program." The funds would be awarded to match corporate donations obtained by public or independent colleges to purchase equipment required for advanced research projects.

North Carolina. Although no revenue shortfall has occurred requiring an official modification or revision to the budgets and appropriations for higher education, concern exists over such a possibility. Action regarding certain operations, however, have been employed to limit spending (reduced travel, slowed filling of vacant positions). Funds for cost-of-living salary increases were appropriated for only the last six months of the current biennium. The General Assembly will decide during its May-June session whether these salary increases will be continued for the next year.

North Dakota. The governor ordered a 5% reduction of state general fund expenditures for higner education that was generally the same as for other state services. For 1981-82 this was a 5% reduction in unobligated budget funds as of November 1981 and a full 5% reduction for 1982-83.

The Board of Higher Education has delayed capital construction and reduced budgets where general fund cash was required and where the reduction could not be offset with unbudgeted cash on hand. The cash on hand came from either carryover funds from prior periods or larger than budgeted tuition revenue due to larger than anticipated enrollments. The budgets will be reinstated if the revenue recovers. The problem in North Dakota resulted more from a cashflow problem than an overall shortfall of funds.

Ohio. No response.

Oklahoma. No shortfall nor reduced appropriations have occurred or are anticipated.

Oregon. A special session of the legislature, faced with a $337 million revenue shortfall, balanced the 1982-83 budget through spending cuts and tax increases. Revenue projections will be revised in June 1982 as it is likely that additional revenue shortfalls may occur necessitating further cutbacks.

The Board of Higher Education's state appropriations for education and general services for 1982-83 were reduced 7.8% and the community colleges 9.1%. While these reductions were greater than reductions in aid to elementary and secondary education, they were less than those experienced by other human resource agencies.

The state increased income taxes by $79 million for one year only and taxes on cigarettes were increased by 3 cents per pack. A one-time net gain of $69 million was provided by the state's speeding up the collection of employer withholding payments. In addition, the state reduced its property tax relief program by $17 Million. In making up the revenue shortfall, revenues were increased by $189.9 million and expenditures reduced by $130.7 million.

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The state government in combination with actions taken by the governing boards reduced the number of tenured, nontenured and other personnel in higher education. In addition, enrollments have been reduced and programs terminated. Summer sessions will be continued only on a self-supporting basis.

Tuition increases for 1981-82 and 1982-83 have been revised for the three universities and health science university. A $49 per term surcharge has been applied to all resident tuitions for winter and spring terms in 1981-82 and all three terms in 1982-83 ($147 annually). These surcharges will increase the tuition by the following percentages over the original tuition charges for 1981-82 and 1982-83: resident undergraduates, 11.9% and 15.1%; resident graduates, 7.1% and 9.0%; medical students, 3.2% and 3.8%; dental students, 4.3% and 5.2%; and veterinary medicine, 4% and 4.8%.

Pennsylvania. Pennsylvania reduced all appropriations by 1% because of a revenue shortfall. State taxes were not increased. Among the various types of postsecondary institutions receiving money, the impact was greatest at the 14 state colleges and university. These institutions generally responded by deferral of capital construction projects, equipment purchases, maintenance projects and library acquisitions. The governor's proposed budget for 1982-83 contains a 6% increase in state appropriations for these institutions with no increase in state taxes.

Puerto Rico. No response.

Rhode Island. The governor requested that all state agencies reduce their operating budgets for 1981-82 to help meet a projected state deficit. Accepted by the governor was a plan to cut back budgets for higher education by 3.1% ($2,483,679) for 1981-82. Operating expenses and capital are being reduced but neither reduction in staff or tuition increases will be necessitated.

Dramatic increases in electricity and telephone rates at the Community College of Rhode Island resulted in a separate energy surcharge of $40 for full-time students and $4 per credit hour for part-time students. Legislation to increase state taxes on cigarettes has been introduced to provide some relief to the state's revenue problems. Programs are being reviewed so that strong programs may be strengthened and weak programs curtailed or terminated.

South Carolina. Because of the unanticipated revenue shortfall in 1981-82, the Budget and Control Board required all state agencies to take a 9.5% personal services reduction for fiscal 1981-82. The legislature, however, restored 3.5% of this reduction for the public colleges and universities and the

Department of Corrections. The resulting personal services reduction of 6% at the beginning of the fiscal year 1981-82 for the public colleges and universities and the additional 2.19% reduction mid-year, therefore, was an average reduction that was less for higher education than required of most other state services. The state has not increased taxes to cover the revenue shortfall in 1981-82 and will not be increasing taxes in 1982-83.

The 7% cost-of-living increase for all employees was deferred to August 28, 1981, rather than on July 1. Although only a very few tenured faculty were terminated by state government, nontenured and other nonfaculty personnel were terminated in greater numbers. In addition, the state delayed or has rescinded capital construction projects. The governing boards have reduced enrollments and terminated programs as well as increased resident and nonresident graduate and undergraduate tuition rates in 1981-82 by a statewide average of 12.4%.

No additional cuts are presently planned in South Carolina for 1982-83. The 1982-83 appropriation bill will provide the public colleges and universities with funding at the 1981-82 level and a 6% cost-of-living increase for all state employees effective July 1, 1982.

South Dakota. No problems have been experienced and none are anticipated at this time. Tuition revenue in fiscal year 1981 and projected for fiscal year 1982, however, exceeds the expenditure authority. The legislature has replaced state general fund appropriations in fiscal year 1983 with the excess tuition revenue resulting from higher than expected enrollments. The institutions wanted to increase the expenditure authority in fiscal year 1982 to allow these additional tuition dollars to be used for instruction.

Actions taken by the legislature to meet a projected revenue shortfall for fiscal year 1983 include: (1) tuition increases of 9%; (2) the modification of the medical student tuition waiver program; (3) a 5% salary increase for all state employees; (4) an $8.50 per credit hour tuition increase for engineering students; (5) an approximate 1.5% special salary augmentation plan for faculty and administrative personnel; and (6) a 4% across-the-board reduction in operating funds, less personal services, that was imposed because of reduced revenue projections for fiscal year 1983.

Tennessee. An executive-ordered cutback because of anticipated revenue shortfalls did occur in 1980-81 when 40% of the total impoundments fell to higher education even though higher education received only 20% of the original total state appropriation. This impoundment in 1980-81 was dealt with as a one-year temporary loss of 5% to each budgeting unit resulting in delayed expenditures in operating budgets for such things as

equipment and supplies. Steps that have been implemented to offset possible shortfalls and to preserve quality include increasing tuition and fees by 15% across-the-board in 1981-82 and recommending an additional 10-15% increase for 1982-83. Enrollments have been capped and at some institutions reduced. Admission standards at several institutions have been tightened. Certain low-producing programs have been terminated. Many necessary capital construction projects have been postponed. No executive or legislative cutbacks because of unanticipated revenue shortfalls have occurred as of yet for 1981-82, but the possibility of such cutbacks cannot be ruled out. Discussions regarding the 1982-83 budget have only begun.

Texas. At this time, Texas is not faced with an unanticipated revenue shortfall that would impact on higher education.

Vermont. A revenue shortfall in fiscal year 1981-82 led the governor to order a rescission of $2.4 million (less than 1%) from all general fund appropriations. Included were $143,200 from the University of Vermont, $65,000 from the Vermont State Colleges and $50,000 from the Vermont Student Assistance Corporation. For fiscal year 1983 the governor has recommended a 10.7% appropriation increase for higher education. He also has recommended that the state income tax, which has been set at 23% of the federal income tax, not be reduced as a result of the federal tax cut. This would require an increase in the state tax rate of 25% of the federal tax. The legislature seems likely to adopt instead a proposed 1% increase in the income tax rate and a 1% increase in the sales tax. Tuition increases are expected to range from 10% to 14%.

Virginia. Virginia has experienced a very slight revenue shortfall of one-half of one percent in 1981-82. The new governor imposed a hiring freeze on all state agencies effective January 16, 1982. The previous governor had instituted a temporary freeze on all capital construction projects not under contract. Most projects affected by the freeze have since been released or reappropriated for 1982-84.

Higher education appropriations for 1982-84 reflect an increase of 18-19% over 1980-82. Significant tuition and fee increases have been incorporated for all sectors. Employment levels will be less than originally projected but do represent an increase over current staffing.

Washington. An unanticipated revenue shortfall of approximately $655 million in Washington reduced the biennial appropriation for higher education by 5.9%. The average overall reduction for all of state government was 3.9% although the "general government" cut was 10.1%. To deal with the revenue shortfall, the sales tax was increased from 4.5 to 5.5 cents per dollar, returning to 4.5 cents on July 1, 1983. Taxes were also raised on liquor and cigarettes.

To accommodate their reduction, higher education reduced faculty and staff positions and began termination of some programs. Although tenured faculty positions were cut, no tenured faculty were let go. Enrollments were slightly reduced at the public four-year schools. However, the community college system reduced its enrollment by approximately 6,000 full-time-equivalent students (5-6%) by eliminating part-time faculty positions. In addition, one-half of the state funding for off-campus courses at the four-year institutions was eliminated. Additional funds were transferred to the state's general operating fund from institutional building accounts, and salary increases for all state employees scheduled for 1982-83 were deferred from October 1982 until March 1983.

Because of the continuing economic slump, the regular session of the 1982 legislature faced an additional revenue shortfall of approximately $478 million for the remainder of the 1981-83 biennium. The problem was resolved by reducing state general fund spending by $152 million and increasing tax revenues by $326 million. The major tax increase was to reinstate the 5.5% sales tax on all food items which had been repealed in 1977. Also a temporary 4% surtax was enacted on utility bills, tobacco, hard liquor and motor vehicle licenses. Another part of the revenue package was legislation that dealt specifically with higher education and included provisions for tightening residency requirements, eliminating certain tuition and fee waivers and providing for selective fee increases. This legislation is anticipated to raise approximately $21 million in revenue for the remainder of the biennium. Of this amount, $9.7 million was separately appropriated to institutions of higher education.

After these appropriations are factored in, and subsequent across-the-board reductions implemented by the governor are taken into account, the net institutional reductions made since January 1, 1982 exceed 2% of the biennial appropriations. This brings the total general fund reductions in biennial higher education appropriations to over 7% for the biennium. The majority will occur in 1982-83, thereby doubling the effective impact of that portion of the biennial cuts. Although a cushion of $85 million was provided by the 1982 legislature, revenue estimates released recently indicate that tax collections have again fallen below expectations; consequently, further budget cuts continue to loom as a real possibility.

West Virginia. A shortfall in revenue resulted in a 5% reduction in appropriations for 1981-82, which is the same as for other state services. As a result, the Board of Regents approved the following responses to the reduced level of funding. The first summer school session at all institutions has been reduced and eliminated. Maintenance projects, equipment purchases and library acquisitions have been deferred.

Part-time, over-time and student employment has been reduced or eliminated. In addition, off-campus course offerings have been reduced or eliminated.

A number of tax proposals were considered as a way to raise additional revenue, but none was adopted. The legislature elected to forego the 7.5% salary increase recommended by the governor for 1982-83 in an effort to provide some relief from the overall funding constraints, thereby averting programmatic and personnel reductions.

Wisconsin. The unanticipated shortfall in state revenue required a 2% reduction in appropriations in 1981-82 and 1% reduction in 1982-83. In addition to these reductions, the executive branch has recommended another 2% reduction in 1981-82 and 4% reduction in 1982-83. This latter proposal requires legislative approval. Since final actions are still pending, decisions have not been made on methods to offset the expected revenue shortfall. Resident and nonresident tuition surcharges for both undergraduate and graduate students for 1981-82 are being employed but no additional action along this line is proposed at this time for 1982-83. Required increases in fringe benefits have not been funded by the state.

The projected revenue shortfall of $450 million will not be offset by the 4% expenditure reduction proposed by the governor for the fiscal year 1982-83, which will produce $40 million of the projected deficits. A number of approaches are under consideration including a tax increase, technical accounting adjustments and reduced appropriations to local governments and school districts.

Wyoming. No response.

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